

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

_____	)	
In re:	)	Chapter 11
	)	
BLOCKBUSTER INC, <i>et al.</i> ,	)	Case No. 10-14997 (BRL)
	)	
Debtors.	)	Jointly Administered
_____	)	

**ORDER GRANTING MOTION OF e-REWARDS, INC. FOR  
RELIEF FROM THE AUTOMATIC STAY NUNC PRO TUNC TO APRIL 1, 2011**

Upon the *Objection of e-Rewards, Inc. to Debtors' Assumption and Assignment of Executory Contract and Motion for Relief from the Automatic Stay Nunc Pro Tunc to April 1, 2011* (the "Request")<sup>1</sup> for entry of an order granting, in part, the Request to provide e-Rewards relief from the automatic stay to allow e-Rewards to provide written notice of non-renewal of the Agreement in accordance with the terms thereof for the purposes set forth in the Request and waiving the 14-day stay on orders granting relief from the automatic stay; and this Court having jurisdiction to consider the Request and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Request and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue appearing proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Request appearing to be adequate and appropriate under the circumstances; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

1. The relief requested in the Request is granted to the extent set forth herein.
2. Blockbuster, L.L.C. ("New Blockbuster"), as DISH Network Corporation's ("DISH") permitted assignee under the Asset Purchase and Sale Agreement by and between the

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Request.

Debtors and DISH, amended and restated as of April 20, 2011, shall be entitled to use, during the twenty-four month period following the date this order is entered by the Court, outstanding Barter Credits (as such term is defined in the Agreement) in the amount of \$1,175,030.00 (the “New Blockbuster Barter Credits”) pursuant to Section 5.3(c) of the Agreement, which amount represents the total outstanding Barter Credits held by the Debtors as of April 1, 2011, after setting off certain amounts in connection with services rendered by e-Rewards prior to entry of this Order.

3. For the avoidance of doubt, New Blockbuster’s rights with respect to the New Blockbuster Barter Credits are limited to those rights set forth in this Order, and New Blockbuster shall not be entitled to elect to receive a cash payment in an amount equal to 50% of any surplus of such New Blockbuster Barter Credits for any given calendar year, as originally contemplated by Section 5.3(f) of the Agreement.

4. Except as otherwise provided in this Order, e-Rewards hereby relinquishes all claims it may have against the Debtors, in connection with the Agreement.

5. The automatic stay imposed by Bankruptcy Code section 362 is modified to allow e-Rewards to provide written notice of non-renewal of the Agreement *nunc pro tunc* to April 1, 2011, substantially in the form attached hereto as Exhibit 1.

6. The Agreement Term (as such term is defined in the Agreement) shall expire effective as of June 30, 2011 and shall not be renewed for an additional term.

7. Any claims, administrative or otherwise, that e-Rewards has asserted or may assert against the Debtors are hereby deemed to be withdrawn or settled as of the date of this Order.

8. The 14-day stay on orders granting relief from the automatic stay provided in Bankruptcy Rule 4001(a)(3) is hereby waived.

9. The Debtors, New Blockbuster and e-Rewards are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Request.

10. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: New York, New York  
July 28, 2011

/s/Burton R. Lifland  
United States Bankruptcy Judge

**EXHIBIT 1**

**Notice of Non-renewal of the Agreement**



March 31, 2011

**Via Overnight Delivery**

Blockbuster Inc.  
1201 Elm Street  
Dallas, Texas 75270  
Attn: Mr. Rod McDonald, Vice President, Secretary and General Counsel  
Amisha Sinha

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153  
Attn: Stephen Karotkin and Andrea C. Saavedra

Weil, Gotshal & Manges LLP  
200 Crescent Court  
Dallas, Texas 75201  
Attn: Martin A. Sosland

**Re: Non-Renewal of e-Rewards Sponsor Agreement (the "Sponsor Agreement"),  
entered into as of July 1, 2007, by and between e-Rewards, Inc. ("e-Rewards") and  
Blockbuster Inc. ("Blockbuster")**

Mr. McDonald:

This letter serves as formal notice of e-Rewards' non-renewal of the Sponsor Agreement pursuant to Section 15.2 of the Sponsor Agreement. Pursuant to the terms of the Sponsor Agreement, the Sponsor Agreement shall not renew for an additional term and shall expire/terminate on June 30, 2011 (the "Expiration Date"). Effective as of the Expiration Date, e-Rewards will remove from its websites and marketing materials all references to Blockbuster as an e-Rewards Sponsor.

Please note that under the terms of the Sponsor Agreement certain obligations of Blockbuster survive termination, including Sections 7 (Ownership and Use of Data), 9 (Intellectual Property), 11 (Indemnification), and 13 (Confidentiality). Prior to the Expiration Date, Blockbuster should return or destroy all e-Rewards' Confidential Information in its possession.

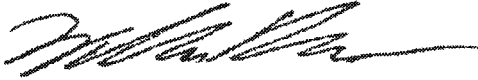
Should you have any questions concerning this letter, please contact Kathy Rowley, Senior Vice President – Legal & Tax, at 214-365-7501. Additionally, any relevant correspondence relating to Blockbuster's bankruptcy proceeding should be sent to Ms. Rowley.

We look forward to Blockbuster emerging from the restructuring process in the very near future. We wish you the best of luck throughout the process and thereafter.

[www.e-rewardsinc.com](http://www.e-rewardsinc.com)

5800 Tennyson Parkway  
Suite 600  
Plano, TX 75024

Regards,

A handwritten signature in black ink, appearing to read 'William Russo', with a stylized, flowing script.

William Russo  
Executive Vice President

Cc: Mr. Jasen McDaniel, Blockbuster, 1201 Elm Street, Dallas, TX 75270  
Ms. Jan Kelly, Blockbuster, 1201 Elm Street, Dallas, TX 75270